

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BOONESBORO WATER	)	
ASSOCIATION, INC. FOR AN ADJUSTMENT	)	CASE NO. 10249
OF RATES	)	

O R D E R

On March 27, 1989, the Commission issued a final Order on the application of Boonesboro Water Association ("Boonesboro") for a rate adjustment. The Commission denied, among other things, Boonesboro's proposal to assess a monthly charge of \$11 per residence on multiple residences. On April 7, 1989, Boonesboro moved for the Commission to reconsider that portion of its Order which pertained to the charge on multiple residences. This motion was granted.

Boonesboro currently prohibits master metering - the servicing of two or more housing units through a single meter - for all new customers. Five multiple residences with a total of nine residential units are currently on Boonesboro's system and receive water service through a master meter. Because the cost of installing separate meters for each of these individual units would be prohibitive, Boonesboro proposes to assess a minimum charge for each unit served by a master meter. This minimum charge would be equal to the monthly minimum charge currently assessed to all individually-metered units.

Upon further review of Boonesboro's initial proposal, the Commission believes it to be reasonable. Under the existing rate

schedule, units of multiple residences served through a master meter pay only a portion of the minimum charge currently assessed to each customer. The assessment of the proposed charge would remedy this situation and end the unequal treatment inherent in the existing rate structure.<sup>1</sup> Such a charge should be determined solely on the number of occupied residential units within the multiple residences.<sup>2</sup>

The Commission, having reviewed the evidence of record and being sufficiently advised, finds that:

1. A monthly fee of \$9.43 per occupied residence<sup>3</sup> on multiple residences should be approved for services rendered on and after the date of this Order.

2. All other provisions of the March 27, 1989 Order should be affirmed.

3. Within 30 days of the date of this Order, Boonesboro shall file its revised tariff sheets with the Commission setting out the fee on multiple residences.

BE IT SO ORDERED.

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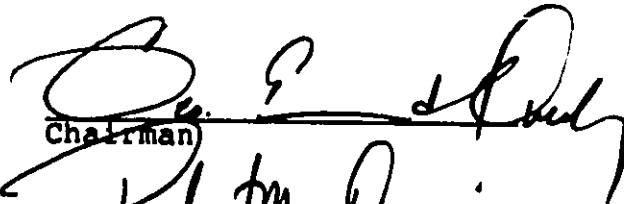
<sup>1</sup> Under the existing rate schedule, each customer pays a monthly minimum charge of \$9.43 and receives 1,000 gallons of water. For each additional 1,000 gallons used, that customer pays \$1.80. In a multiple residence having two residential units and served through a master meter, the minimum charge is still only \$9.43. Each residential unit effectively pays a minimum charge of only \$4.71.


<sup>2</sup> Case No. 10132, Charles Combs and K. J. Woodruff v. Jessamine County Water District No. 1.

<sup>3</sup> In the March 27, 1989 Order, the Commission authorized Boonesboro to assess a minimum charge of \$9.43, not \$11.00 as proposed in its application.

Done at Frankfort, Kentucky, this 28th day of June, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director